

SOLANO COUNTY ECONOMIC FORECAST

Solano County is located on the Northeast edge of the San Francisco Bay, approximately halfway between San Francisco and Sacramento. Solano County has a population of 427,700 people and a total of 129,900 wage and salary jobs. The per capita income in Solano County is \$43,319 and the average salary per worker is \$67,135.

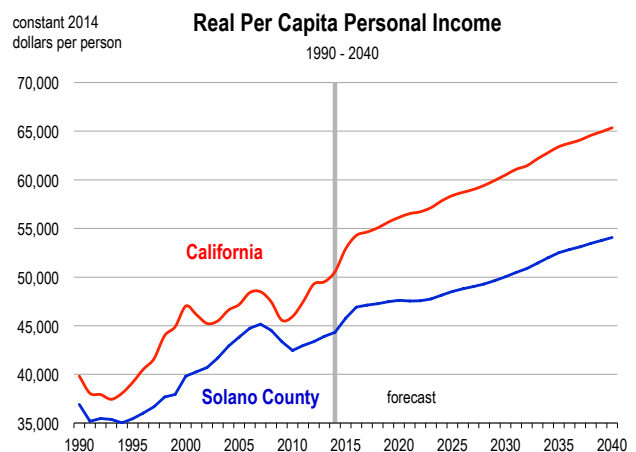
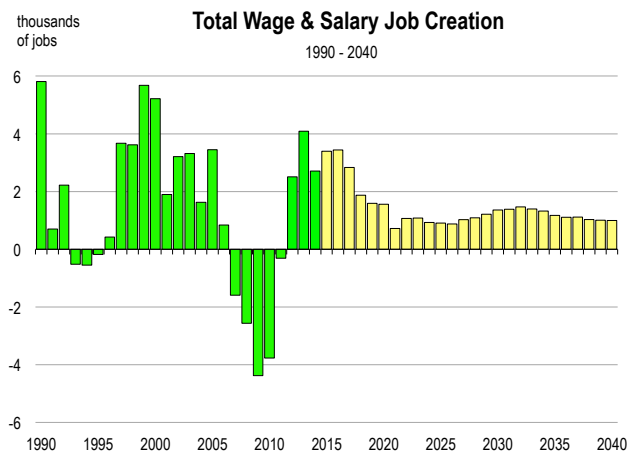
In 2014, employment in Northern California increased by 3.4 percent, whereas employment in the greater Bay Area grew by 4.0 percent. In Solano County, a total of 2,700 wage and salary jobs were created, representing an increase of 2.1 percent. The unemployment rate improved significantly, falling from 9.0 percent in 2013 to 7.4 percent in 2014.

Most major sectors gained jobs in 2014. The largest increases were observed in manufacturing (+630 jobs), leisure and hospitality (+600 jobs), education and healthcare (+550 jobs), and wholesale and retail trade (+420 jobs). The largest losses occurred in construction (-190 jobs) and financial activities (-190 jobs).

From 2009 to 2014, the Solano County population increased at an annual average rate of 0.7 percent. This growth was due largely to the natural increase (new births), as net migration was low.

FORECAST HIGHLIGHTS

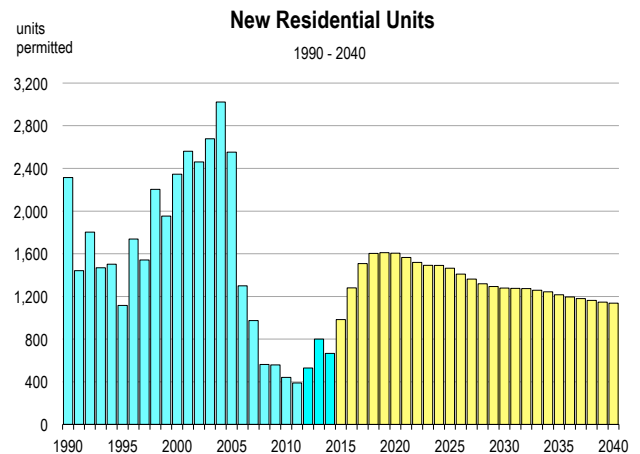
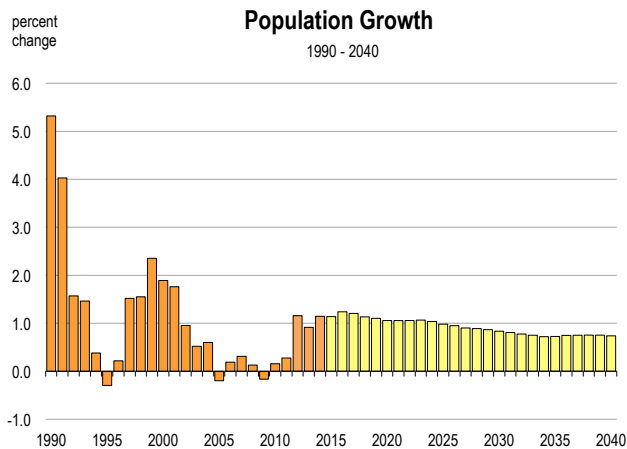
- In 2015, total employment will increase by 2.6 percent. Between 2015 and 2020, the annual growth rate is expected to average 1.6 percent.
- Average salaries in Solano County are virtually identical to the California state average. Between 2015 and 2020, inflation-adjusted salaries are projected to increase by 0.7 percent per year in Solano County, compared to 0.6 percent per year across the state.
- Between 2015 and 2020, the largest employment increases will occur in education and healthcare (+2,600 jobs), construction (+1,800 jobs), leisure and hospitality (+1,700 jobs), and professional services (+1,500 jobs). Together, these sectors will account for 68 percent of net job creation in the county.
- The population is expected to grow by 1.2 percent in 2015. Annual growth in the 2015 to 2020 period is forecast to average 1.1 percent.
- Net migration will remain positive over the forecast period. From 2015 to 2020, an average of 2,800 net migrants will enter the county each year.
- Real per capita income is forecast to rise by 3.3 percent in 2015. Between 2015 and 2020, real per capita income will grow at an average rate of 0.8 percent per year.
- Total taxable sales, adjusted for inflation, are expected to increase by an average of 1.7 percent per year during the 2015-2020 period.
- Industrial production is expected to increase by 4.8 percent in 2015. Between 2015 and 2020, the growth rate is forecasted to average 3.1 percent per year.



Solano County Economic Forecast

2006-2014 History, 2015-2040 Forecast

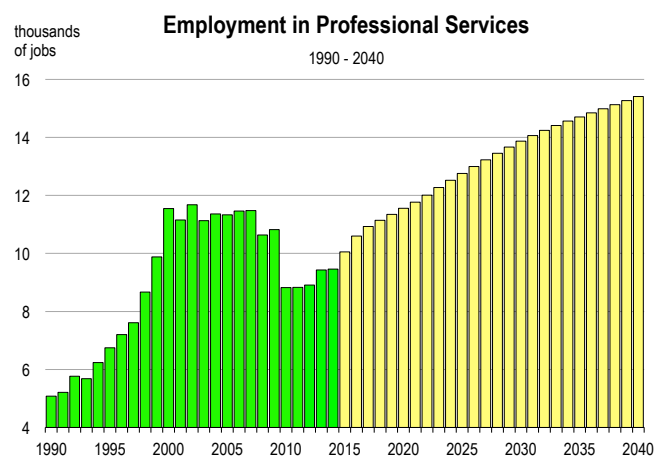
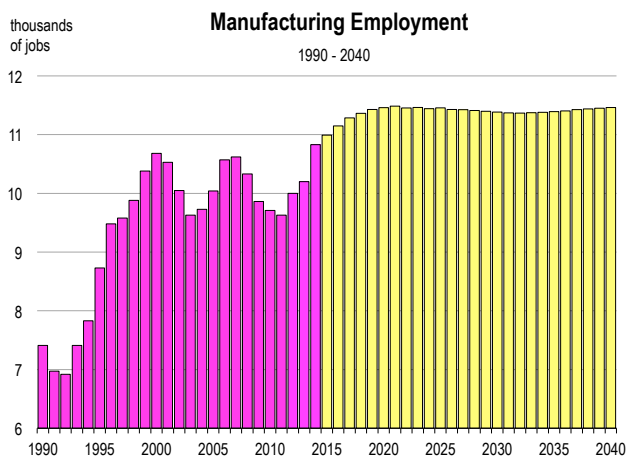
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2006	411,351	-2,268	380	140.0	1,300	\$6.5	\$15.3	\$44,748	3.2	281.6	2.9	4.9
2007	412,636	-1,836	375	140.5	973	\$6.3	\$16.0	\$45,157	3.4	312.7	3.0	5.3
2008	413,167	-2,468	371	141.1	562	\$6.0	\$16.2	\$44,527	2.9	331.5	3.2	6.9
2009	412,488	-3,558	372	140.9	559	\$5.3	\$15.9	\$43,359	0.8	282.9	3.0	10.6
2010	413,129	-1,769	371	141.8	441	\$5.2	\$15.8	\$42,448	1.3	287.5	2.9	12.5
2011	414,268	-1,198	365	142.4	388	\$5.8	\$16.5	\$42,971	2.7	314.9	2.8	12.1
2012	419,064	2,605	368	142.8	529	\$6.0	\$17.3	\$43,358	2.7	360.4	2.9	10.6
2013	422,899	1,619	381	143.3	800	\$6.4	\$18.1	\$43,914	2.3	358.1	2.9	9.0
2014	427,743	2,559	389	143.9	666	\$6.8	\$19.0	\$44,319	2.8	358.7	3.2	7.4
2015	432,611	2,622	395	144.5	983	\$7.1	\$20.0	\$45,765	1.2	359.9	3.3	6.5
2016	437,971	3,122	400	145.4	1,280	\$7.6	\$21.4	\$46,907	3.2	362.2	3.5	5.6
2017	443,249	3,021	404	146.6	1,508	\$8.0	\$22.5	\$47,132	3.2	366.5	3.6	5.3
2018	448,274	2,746	408	148.0	1,603	\$8.4	\$23.5	\$47,259	3.0	371.0	3.7	5.2
2019	453,218	2,638	411	149.5	1,610	\$8.7	\$24.6	\$47,474	2.8	375.4	3.8	5.1
2020	458,006	2,458	414	150.9	1,605	\$9.0	\$25.6	\$47,608	2.9	376.7	3.9	5.1
2021	462,840	2,506	416	152.4	1,565	\$9.3	\$26.7	\$47,548	3.0	378.9	4.0	5.1
2022	467,732	2,566	418	153.9	1,519	\$9.6	\$27.8	\$47,568	3.1	380.5	4.1	5.1
2023	472,718	2,654	420	155.3	1,492	\$9.9	\$28.9	\$47,740	2.7	381.4	4.2	5.0
2024	477,616	2,572	421	156.6	1,491	\$10.3	\$30.2	\$48,139	2.6	382.8	4.3	5.0
2025	482,301	2,376	423	158.0	1,464	\$10.6	\$31.6	\$48,515	2.8	384.3	4.4	5.0
2026	486,879	2,281	425	159.3	1,409	\$11.0	\$33.0	\$48,790	2.8	385.8	4.5	5.0
2027	491,269	2,107	427	160.6	1,363	\$11.4	\$34.4	\$49,023	2.8	387.2	4.7	5.0
2028	495,635	2,111	429	161.9	1,319	\$11.9	\$35.9	\$49,301	2.7	388.7	4.8	5.0
2029	499,928	2,048	432	163.1	1,293	\$12.4	\$37.3	\$49,640	2.5	389.7	5.0	5.0
2030	504,098	1,943	434	164.3	1,278	\$13.0	\$38.8	\$50,042	2.4	391.6	5.1	5.0
2031	508,164	1,841	436	165.5	1,276	\$13.6	\$40.4	\$50,488	2.3	393.5	5.2	5.0
2032	512,107	1,719	439	166.6	1,274	\$14.3	\$42.0	\$50,870	2.5	395.4	5.4	5.0
2033	515,951	1,609	441	167.8	1,258	\$14.9	\$43.7	\$51,444	2.1	397.3	5.6	5.0
2034	519,667	1,485	443	169.0	1,243	\$15.6	\$45.5	\$51,997	2.3	399.3	5.8	5.0
2035	523,433	1,555	446	170.1	1,216	\$16.2	\$47.4	\$52,512	2.4	401.3	5.9	5.0
2036	527,344	1,702	448	171.2	1,195	\$16.9	\$49.4	\$52,831	2.8	403.2	6.1	5.0
2037	531,302	1,773	450	172.3	1,180	\$17.5	\$51.4	\$53,117	2.8	405.2	6.3	5.0
2038	535,303	1,839	452	173.4	1,163	\$18.1	\$53.5	\$53,469	2.7	407.2	6.5	5.0
2039	539,331	1,895	454	174.5	1,147	\$18.8	\$55.8	\$53,760	2.8	409.3	6.7	5.0
2040	543,311	1,856	455	175.5	1,137	\$19.4	\$58.1	\$54,076	2.8	411.3	6.9	5.0

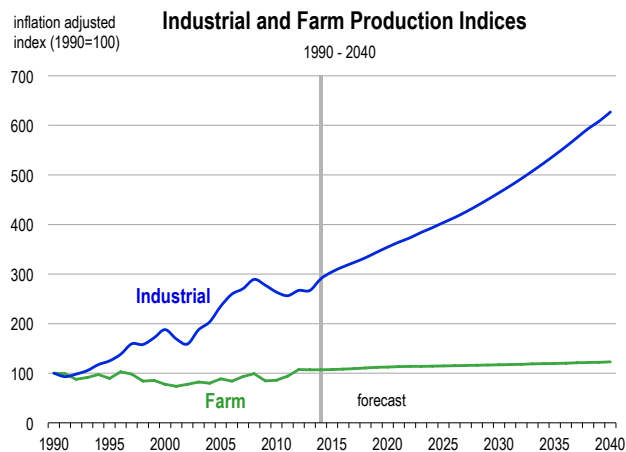
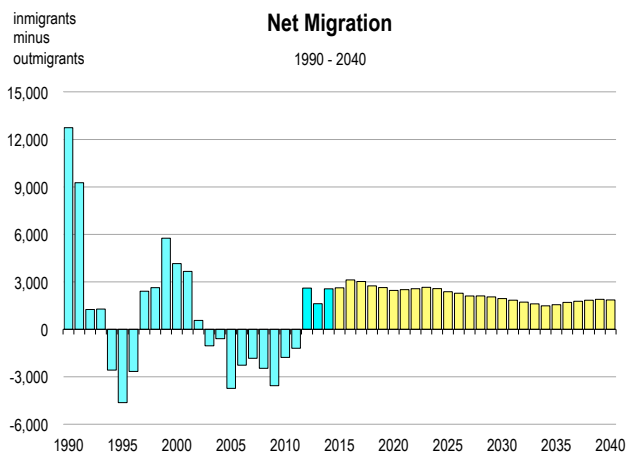
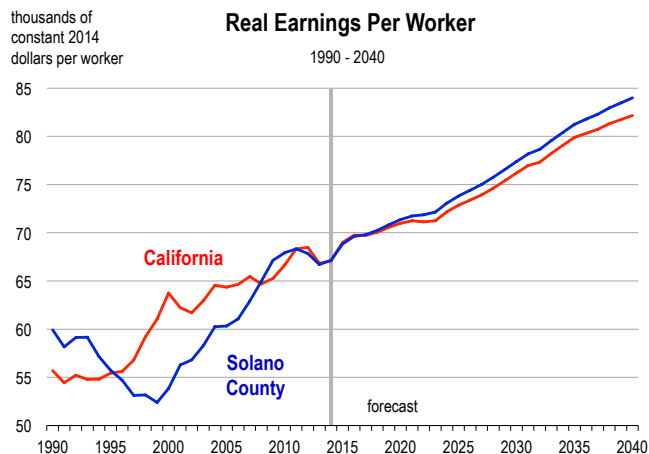
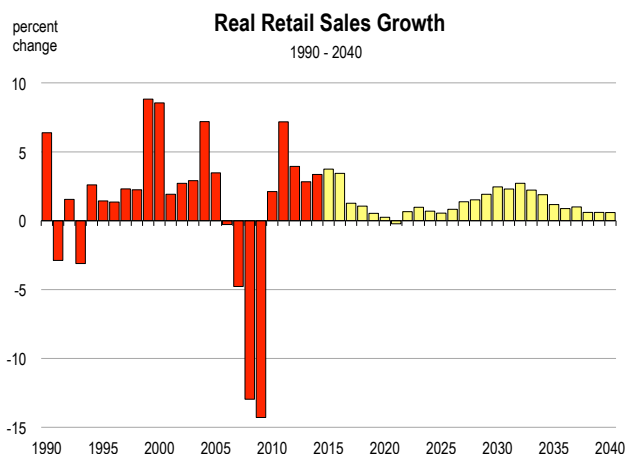


Solano County Employment Forecast

2006-2014 History, 2015-2040 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
employment (thousands of jobs)												
2006	133.2	1.73	12.6	10.6	4.2	23.0	6.2	11.5	1.6	17.9	13.5	26.0
2007	131.6	1.55	10.7	10.6	4.5	22.4	5.6	11.5	1.6	18.6	13.7	26.6
2008	129.0	1.60	9.2	10.3	4.6	21.8	5.1	10.6	1.5	19.2	13.9	26.9
2009	124.7	1.56	7.4	9.9	4.6	20.3	5.1	10.8	1.3	19.8	13.8	26.1
2010	120.9	1.39	7.2	9.7	4.2	20.6	5.2	8.8	1.3	20.2	13.7	24.9
2011	120.6	1.41	7.8	9.6	3.7	20.5	5.1	8.8	1.1	20.4	13.9	24.3
2012	123.1	1.49	8.1	10.0	3.7	21.2	5.0	8.9	1.1	21.2	14.2	24.1
2013	127.2	1.67	8.6	10.2	3.9	21.4	5.1	9.4	1.1	23.0	14.6	24.0
2014	129.9	1.88	8.4	10.8	4.1	21.8	4.9	9.5	1.1	23.6	15.2	24.3
2015	133.3	1.88	8.8	11.0	4.3	22.2	4.9	10.1	1.1	24.4	15.9	24.4
2016	136.7	1.89	9.1	11.1	4.4	22.6	5.0	10.6	1.1	25.0	16.6	25.0
2017	139.6	1.91	9.8	11.3	4.5	22.8	5.1	10.9	1.1	25.4	17.1	25.3
2018	141.4	1.92	10.1	11.4	4.5	23.0	5.1	11.1	1.1	26.0	17.4	25.4
2019	143.0	1.94	10.4	11.4	4.6	23.2	5.1	11.3	1.1	26.5	17.6	25.5
2020	144.6	1.94	10.5	11.5	4.6	23.3	5.1	11.6	1.1	27.0	17.7	25.9
2021	145.3	1.95	10.6	11.5	4.6	23.4	5.1	11.8	1.1	27.6	17.7	25.6
2022	146.4	1.95	10.7	11.5	4.6	23.5	5.1	12.0	1.1	28.1	17.7	25.6
2023	147.5	1.96	10.7	11.5	4.6	23.6	5.1	12.3	1.1	28.7	17.7	25.7
2024	148.4	1.96	10.7	11.4	4.7	23.7	5.1	12.5	1.1	29.2	17.7	25.8
2025	149.3	1.97	10.7	11.5	4.7	23.8	5.1	12.8	1.1	29.6	17.7	25.9
2026	150.2	1.97	10.7	11.4	4.7	23.9	5.1	13.0	1.1	30.1	17.8	26.1
2027	151.2	1.98	10.6	11.4	4.7	24.0	5.1	13.2	1.1	30.5	17.9	26.3
2028	152.3	1.98	10.6	11.4	4.7	24.1	5.1	13.5	1.1	30.9	17.9	26.6
2029	153.5	1.98	10.5	11.4	4.7	24.2	5.1	13.7	1.1	31.4	18.1	26.9
2030	154.9	1.99	10.5	11.4	4.7	24.3	5.1	13.9	1.1	31.8	18.2	27.3
2031	156.2	2.00	10.5	11.4	4.7	24.4	5.1	14.1	1.1	32.3	18.3	27.8
2032	157.7	2.00	10.5	11.4	4.7	24.5	5.1	14.2	1.1	32.8	18.5	28.4
2033	159.1	2.01	10.5	11.4	4.8	24.6	5.1	14.4	1.1	33.2	18.6	28.9
2034	160.4	2.02	10.5	11.4	4.8	24.7	5.1	14.6	1.1	33.7	18.8	29.4
2035	161.6	2.02	10.4	11.4	4.8	24.8	5.1	14.7	1.2	34.1	18.9	29.7
2036	162.7	2.03	10.4	11.4	4.8	24.9	5.1	14.8	1.2	34.6	19.1	30.0
2037	163.8	2.03	10.4	11.4	4.8	24.9	5.1	15.0	1.2	35.1	19.2	30.3
2038	164.9	2.04	10.4	11.4	4.8	25.0	5.1	15.1	1.2	35.5	19.4	30.5
2039	165.9	2.05	10.3	11.5	4.8	25.0	5.1	15.3	1.2	36.0	19.5	30.7
2040	166.9	2.06	10.3	11.5	4.8	25.1	5.1	15.4	1.2	36.4	19.7	30.8





County Economic and Demographic Indicators

Projected Economic Growth (2015-2020)

Expected retail sales growth:	6.7%
Expected job growth:	8.5%
Fastest growing jobs sector:	Construction
Expected personal income growth:	10.1%

Expected population growth:	5.9%
Net migration to account for:	55.1%
Expected growth in number of vehicles:	4.8%

Demographics (2015)

Unemployment rate (March 2015):	6.3%
County rank* in California (58 counties):	20th
Working age (16-64) population:	66.1%

Population with B.A. or higher:	24.0%
Median home selling price (2014):	\$300,000
Median household income:	\$64,618

Quality of Life

Violent crime rate (2013):	473 per 100,000 persons
County rank* in California (58 counties):	41th
Average commute time to work (2015):	31.1 minutes

High School drop out rate (2014):	10.6%
Households at/below poverty line (2015):	10.4%

* The county ranked 1st corresponds to the lowest rate in California